

MINUTES OF BOARD OF COUNTY COMMISSIONERS
BUDGET HEARING 2022
MILLARD COUNTY THE 7th DAY OF DECEMBER 2021
AT THE COURTHOUSE, FILLMORE, UTAH

PRESENT: Dean Draper. Chairperson
Evelyn Warnick. Commissioner
Bill Wright. Commissioner
Pat Finlinson. County Attorney
Marki Rowley. County Clerk

EXCUSED: Jamie Hair. Deputy County Clerk

ALSO PRESENT: Sheri Dearden County Treasurer
Pat Manis County Assessor
Adam Richins County Planner
Sierra Dickens County Recorder
Robert Clark, Richard Jacobson, Ben McDonald,
Pat Bennett and Lindsay Mitchell Sheriff's Office
Shannon Lovell, Bonnie Smith Auditor's Office
Kim Rowell County Ambulance
Matt Ward Chronicle Progress

PURSUANT TO AN AGENDA WHICH HERETOFORE HAD BEEN PROVIDED TO each member of the governing body, posted at the principal office of the Millard County Commission, posted on the Utah Public Notice Website, and provided to the Millard County Chronicle Progress, a newspaper of general circulation within Millard County, Utah, as required by law, the following proceedings were had:

Commissioner Draper welcomed the public.

Commissioner Draper called the meeting to order at 6:00 p.m. and then turned the time over to Auditor Smith.

Auditor Smith covered information relative to the adoption of the 2022 budget. She explained that the 2022 Tentative Budget was adopted by the County Commission on October 19, 2021. Public Notices were run in the Chronicle Progress on September 29th, October 6th, November 10th and November 17th indicating that the tentative budget had been adopted and that it was available for inspection at both the County Courthouse in Fillmore and the County offices in Delta; it was also available on the County's website and stated that today would be the date for the public hearing.

Public notice was also provided and published in the Chronicle Progress, prior to budget

work meetings held on October 7th, 8th, 13th, 14th, 15th and November 15th. These notices provided additional notice for tonight's meeting, as well as, mandated notice on property tax valuations and billings.

Auditor Smith provided a summary of the budget. She said that there are full detail tentative budgets available for reference, which are summarized by fund, and a side by side comparison of the 2021 & 2022 budget.

Auditor Smith explained that she, the commissioners, and her office have all met with department heads/elected officials prior to the adoption of the tentative budget and have continued to work on the budget since its adoption. She explained that at this time, a 3% cost of living adjustment (COLA) has been included in the budget and it is anticipated that there will be funding for pay increases in accordance with the County's current step and grade program. She said that the cost of the proposed COLA is approximately \$300,000.00.

Auditor Smith explained that the following budget has ultimately been prepared at the Commission's discretion:

- Pay/Grade increase for the Road Superintendent was listed at \$7,900.00 but should have been a total of \$12,300.00; an increase of \$4,400.00 to the proposed budget.
- A proposed full-time CAT Certified Mechanic position with the cost split between the Landfill and Road Departments.
- A proposed part-time building inspector position that has not yet been filled.

Auditor Smith noted the following significant changes:

- The ambulance ARPA and other Grant Projects carried over could be lower than the projected budget as invoices are paid in December 2021.

New Capital:

- Indoor and Outdoor Arena sound system updates, ceiling fans, and ADA compliant access totaling \$84,500.00.
- West Pool deck drain system and carpet totaling \$48,500.00.
- East Pool - replace glass doors, valve, rain gutter, handicap chair totaling \$23,500.00.
- East Millard Recreation - electrical at ball fields, replace sod, large ceiling fan in arena totaling \$24,500.00.
- The County is allowed to move software costs from general fund. This includes the new email service, eFax, EMD software, financial and property software and is approximately \$171,750.00. Auditor Smith said that she proposes moving budget funds from the Sheriff's Office to Capital which will include software costs in the amount of \$85,000.00 and vehicle purchases up to \$184,500.00 (less lease payments).
- Public Safety Complex repair and improvements - water line, jail cameras, doors and intercoms totaling \$160,000.00.

Capital Projects carryover from prior year:

- Door Security Upgrade \$33,000.00
- Records/Evidence Building Completion - \$100,000.00
- Shared Road/Landfill Shed in Fillmore - \$320,000.00
- Communications Tower \$100,000.00

Auditor Smith said that Special Projects have increased mostly due to ARPA funds and that the County has purchased two ambulances with power lift systems and chairs. She said it has not yet been paid and may carry over. The total is \$414,000.00 (now \$439,000.00)

Tentative projects of greater significance are:

- Boiler - \$55,000.00
- Cyber Security - \$103,100.00
- Cloud financial and property tax - \$137,200.00
- Premium Pay for front line workers - \$5,000.00
- Dash cams for patrol vehicles - \$282,000.00
- Radio upgrades - \$164,500.00
- Cameras and speakers in the Justice Court - \$500.00
- Funding to complete the compensation study and potentially fund increases in 2022 - \$1,425,000.00.

Auditor Smith said that a proposed 5.0% increase of recreation fees is pending formal legislative action but is estimated to increase the funds received by the Golf Course by approximately \$10,000.00 - \$20,000.00 and the Parks and Pools by approximately \$14,000.00.

Treasurer Dearden said that during the budget season, they are looking at fund balances and to see if they are within the statutory limit of what can be carried over. She said that the fund balance of \$1,600,000.00 for this year is concerning from her roll as a money manager.

Treasurer Dearden said that best practice is to carry over at least three months of expenses and for the general fund that amount is \$4,200,000.00. She said that the general fund balance is currently \$6,800,000.00 and if the proposed \$1,600,000.00 is used for the 2022 budget, that brings the total down to \$5,200,000.00.

Treasurer Dearden said that this puts the County below the best practice amount and can also impact bond ratings. She explained how bond ratings are decided by a percentage and said that you never want to get below 8%. Treasurer Dearden said that the County's percentage for 2022 will be 30%, 2023 will be 19%, and 2024 will be 9% if the County were to continue to use the general fund balance at the same proposed level.

Treasurer Dearden said that use of the \$1,600,000.00 puts the County within best practice for 2022, but it is not sustainable for future years. She said that we are all hopeful for growth and prosperity in the County's future, but there will be a few tough years and tough decisions will have to be made moving forward.

Sheriff Jacobson asked if there was a loss of any County positions. Auditor Smith said that there wasn't any losses in the proposed budget.

Auditor Smith said that she needs to be told of any proposed changes immediately because she will be out of the office next week.

Commissioner Warnick said that she was opposed to giving any COLA increases this year due to the pending pay point compensation study. She said that she is also concerned about the amount budgeted for pay for increases from the compensation study's recommendations. She suggested to bring the amount budgeted for possible pay increases to 5.9% which is equal to what social security is.

Commissioner Wright said that he would hope that the supervisors and everyone understands that the County has a problem he reiterated what Treasurer Dearden said. He said that this budget issue is like the County going down the freeway and can see this semi stopped in front of us approximately 300 to 400 yards ahead. He said that at some point the County needs to tap the breaks, or wait and slam on the brakes when we get closer.

Commissioner Wright would like the supervisors to make decisions on where to cut, but he would like to bring the amount from general fund down between \$1,000,000.00 to \$1,200,000.00, or the Commission will be compelled to raise taxes to stabilize funds. He said that he wants to see small changes now and encouraged department heads not to drag their feet to see how they can help with this. Commissioner Wright said that he suggested that department heads reduce their budgets by 10% a few months ago to reduce the budget and now the Commission is in a position to do it for them. He said that the County is trying to find \$500,000.00 somewhere and it cannot continue to spend. He said that he will be looking for ways to decrease the budget.

Commissioner Wright said that they have procedures where we can move things around to help compensate the County for now. He said that there have been a few positions that have not been filled for a few years and questioned how much security is needed and if taxes may need to be raised for security.

Commissioner Warnick asked for suggestions on reducing the fund balance.

Treasurer Dearden said that raising taxes is not an option because the County is at the maximum tax rate. She said that there are additional levies like public health levies or a recreation district that could be proposed and approved by the general public.

Commissioner Wright said that it was discussed to raise recreation fees by 5% and questioned whether they needed to be raised by 10% instead. Commissioner Warnick said that the fees cannot be raised above the value.

Commissioner Draper asked how many funds have been transferred from General Fund to Recreation. Auditor Smith said that the 2021 budgeted transfer was \$1,902,175.00 and 2022 is \$1,905,950.00. Commissioner Draper said that is approximately 14% of the general fund.

Commissioner Draper asked if there is a budget larger than the recreation budget. Auditor Smith said that the Sheriff's Office is \$4,600,000.00 and the Jail approximately \$2,300,000.00.

Commissioner Draper asked which of these is mandated by law. Auditor Smith said that the Sheriff's Office and the jail are mandated. Commissioner Draper said of the three departments discussed, recreation is optional. He said that as the Commission goes forward, they will first look to fund those things that are mandated and there is not a lot of leeway to make changes in those.

Commissioner Draper said that former Commissions anticipated this decrease in revenue as IPP transitioned and planned a nest egg to get the County through. However, they didn't anticipate the third coal unit would not come on so there is a shortage of funds. He said that in the past 20-30 years, the County has taken on some things that were easily financed at that time, but that is no longer the case. He said that the County cannot continue to go down this path without some serious decisions and a serious look at what services the County will give.

Commissioner Draper said that from his standpoint, they will look at funding what is mandated first and then look at the options on those things that are not mandated.

There were no other comments made.

Commissioner Wright made a motion to close the meeting.

Commissioner Warnick SECONDED the motion. The voting was unanimous and the motion carried.

The budget hearing closed at approximately 6:32 p.m.

WHERE UPON THE MEETING ADJOURNED

Attest: _____ Approved: _____